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TAGS: [PREL](#) [ECON](#) [ETRD](#) [IR](#) [KU](#)
SUBJECT: IRAN: GOK EXPRESSES FRUSTRATION, CONCERN DURING
FM VISIT TO TEHRAN

REF: A. KUWAIT 270
[1](#)B. KUWAIT 173
[1](#)C. KUWAIT 162
[1](#)D. 06 KUWAIT 4702
[1](#)E. KUWAIT 164
[1](#)F. STATE 19732

Classified By: CDA Matt Tueller for reasons 1.4 (b) and (d).

[1](#)1. (C/NF) Summary: On February 21, Emboffs met with MFA First Secretary Mansour Alolaimi, who covers Kuwaiti-Iranian relations, to discuss Foreign Minister Shaykh Dr. Mohammad Sabah Al-Salem Al-Sabah's February 12-13 visit to Tehran. Alolaimi, who accompanied the FM, conveyed GOK frustration with a last-minute GOI decision to table only three of six previously negotiated agreements. In the end, the GOK and GOI agreed to create a joint follow-up committee, to protect and encourage investment, and to increase agricultural trade. Remaining issues including the continental shelf gas dispute, water, and double taxation will be addressed by the follow-up committee. Alolaimi said the Amir would not visit Iran until these issues were resolved and the agreements were ready to be signed. FM Al-Sabah expressed GOK concern about increasing Sunni-Shi'a tensions in the region, which the GOI blamed on a U.S.-British "conspiracy." On Iran's nuclear program, Alolaimi cautioned the U.S. against making Iran the "victim" and recommended a more "compassionate" yet firm approach to allow Iran room to retreat with its dignity intact. End summary.

FM's Visit: Less Fruitful than Expected

[1](#)2. (C/NF) On February 21, MFA First Secretary Mansour Alolaimi, who specializes in Kuwaiti-Iranian relations, briefed Emboffs on Kuwait Foreign Minister Shaykh Dr. Mohammad Sabah Al-Salem Al-Sabah's February 12-13 visit to Tehran. The GOK recognizes that Iran is a "big neighbor" both in size and in influence and tries to work with not against it, said Alolaimi pointing to an Arab saying "if you can't break the hand, kiss it." The FM went to Iran expecting to sign six previously negotiated agreements but the GOI objected to language in three of the six at the last minute. Although frustrating, Alolaimi said this is not uncommon, as "the GOI is known to put something on the table and then pull it at the last minute." In the end, the GOK and GOI agreed to create a joint follow-up committee, to protect and encourage investment, and to increase agricultural trade. Other areas for which final agreements remain outstanding include: the continental shelf gas dispute, water supply, legal cooperation, eliminating double taxation, fisheries resources, shipping, and laborers.

GOI Feeling Pressure to Produce Results?

13. (C/NF) During the visit, FM Al-Sabah announced a January 2008 date for the next meeting of the newly-created joint follow-up committee which will review outstanding issues. Alolaimi noted that the GOI was clearly taken aback by the significant delay. The GOI has been in contact with other members of the GCC and is keen to show the world that it is cooperating with and has the support of its neighbors, he explained. In principle the GOK does not object to expediting the committee meeting but absent tangible progress the GOK is unlikely to concede. "If the GOI wants to hasten the process it needs to finalize agreements not just agree to more discussions," advised Alolaimi. Turning to the Amir's proposed visit to Iran, Alolaimi said the FM informed the GOI that there is no opposition to expediting his visit but stressed that he must have something to sign. "The Amir remains willing to visit Iran but will refrain from doing so until he can sign final agreements on the continental shelf gas dispute, ports, and water," Alolaimi concluded.

Continental Shelf Impasse

14. (C/NF) On February 13, FM Al-Sabah met with Iranian FM Mouchehr Mottaki, Khamanei Advisor Ali Akbar Veleiyati, and paid a brief courtesy call on Iranian President Ahmedinejad (ref A). Discussion during the FM Mottaki meeting focused primarily on the continental shelf dispute. Despite the attendance of Shaykh Nawaf Saud Al-Sabah, legal advisor at the Kuwait Petroleum Company, and a representative of the Iran Oil Company, the meeting did not result in a significant breakthrough of the decades-old issue. (Background: Kuwait

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and Iran continue to dispute ownership of the gas-rich Al-Dorra offshore gas field in the continental shelf region of the northern gulf. The dispute dates back to the 1960s when Kuwait and Iran awarded overlapping concessions in the northern part of the gas field. Kuwait signed an agreement with Saudi Arabia in July 2000 to share the offshore resources but has been unable to reach a similar accord with Iran. GOK contacts have previously told Emboffs (Ref D) that the Amir will seek movement on this long-standing issue before he agrees to travel to Tehran, but a Kuwait Oil Company official recently told the Ambassador that there has been little dialogue on this issue between the two countries (Ref E). End background.) The Tangef Al-Kari border region was also discussed but Iraq and nuclear proliferation notably were not, according to Alolaimi.

GOK Concerned About Sunni-Shi'a Divide

15. (C/NF) The FM then met with Ali Akbar Veleiyati, Khamanei's advisor and former Foreign Minister. After delivering a message from the Amir, the FM expressed concern about the Sunni-Shi'a divide and its effect on regional stability, especially in Iraq. According to Alolaimi, Veleiyati promised to do his best to resolve this situation and noted that he intends to invite Sunni Sha'ria specialists, and the Kuwaiti Minister of Awqaf and Islamic Affairs, to Iran to facilitate a dialogue with Shi'a scholars. Referring to a Kharbouri-Rafsanjani exchange on the same day as the FM's visit, Alolaimi noted that this dialogue has already begun and Iran now wishes to expand the discussion to include Egypt and Kuwait.

Iraq: GOI Blames the US/UK, Asks for GOK Assistance

16. (C/NF) Alolaimi said Al-Waleeti assured the FM that Iran is controlling its people and announced that he has issued a fatwa forbidding the spilling of Muslim blood. Veleiyati blamed the U.S. and Britain, and other unidentified

foreigners, for the increasing Sunni-Shi'a tensions. Veleiyati then asked the FM to encourage Kuwaiti Sunnis to approach Iraqi Sunnis. The FM rejected the idea outright, assured Alolaimi, as "the GOK has no interest in getting caught in the middle."

Nuclear Standoff: "Iranians Are Stubborn,
Compassionate Consequences Advised"

17. (C/NF) "Iran's rhetoric is not for the U.S.," stated Alolaimi, "but for others in the region." Although the GOI maintains a strong, aggressive public campaign defending its nuclear enrichment policies, Alolaimi believes the GOI privately fears a U.S./British strike on its nuclear facilities. He cautioned the U.S. against making Iran the "victim," advising Emboffs that the U.S. should continue to pressure Iran but must also allow the GOI some dignity. Iranians, he said, are strong willed and uncaring of the consequences. The GOI is scared of what the West might do but is more concerned about saving face and not appearing weak, particularly in the eyes of its regional neighbors. Alolaimi asked Emboffs if the U.S. is going to attack Iran. Emboffs conveyed ref F points noting that UNSCR 1737 reflected a strong international consensus on Iran, but no option was off the table in the U.S. point of view.

18. (C/NF) MFA Director of Follow-up and Coordination Ambassador Khaled Al-Maqamis cautioned in a separate meeting on February 19 that the Iranian people are inherently "stubborn." Predicting a resolution to the situation within two months, he explained that the Iranian mentality is to force people to the end and then spontaneously retreat. "The result," he said, "is that they often lose more than they gain."

Iran's Economic Outlook Bleak, Investors Wanted

19. (C/NF) Alolaimi, who has visited Iran several times since assuming his position at the MFA 18 months ago, described Iran's overall economic outlook as bleak. A dearth of investor-friendly policies, combined with the threat of international sanctions, continues to make it difficult for Iran to attract much needed foreign investment. Even in the midst of the uncertainty, Alolaimi noted that Kuwaiti investors want to build hotels in Iran but the GOI refuses to

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agree to 50/50 ownership. Alolaimi informed Emboffs that during his recent visit he saw a "GAP" store "with all the tags and logos" in one of Tehran's malls. He also observed long queues at several stores selling Valentine gifts. Emboff thanked him for the information but expressed doubt that it was an actual GAP store due to regulations governing U.S.-Iran commercial relations.

10. (SBU) Bionote: Mansour Alolaimi has been an Iran watcher at the MFA for the last year and a half. He previously served in London, Brazil, and Turkey. Alolaimi is a graduate of Tufts University's Fletcher School of Law and Diplomacy. He speaks Arabic, English, and Portuguese. Alolaimi is married and has two girls.

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